

PATTON BOGGS LLP

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August 23, 2013

William J. McGinley
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BY EMAIL AND HAND DELIVERY

Jeff s. Jordan, Esquire
Supervisory Attorney
Federal Election Commission
999 E Street, NW
Washington, DC 20463

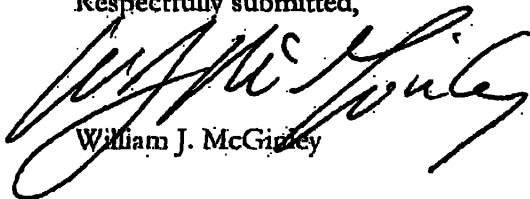
Re: AR 13-01
Maine Republican Party and
Ben Lombard, as Treasurer

Dear Mr. Jordan:

Please find attached the response of our client, the Maine Republican Party and Ben Lombard, as Treasurer, to the notification from the Federal Election Commission in the above-captioned matter. Also attached is an executed Statement of Designation of Counsel form.

Please do not hesitate to contact us with any questions.

Respectfully submitted,



William J. McGinley

Attachments

2013 AUG 23 PM 3:44
OFFICE
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BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of

Maine Republican Party and
Ben Lombard, as Treasurer

AR 13-01

RESPONSE OF THE MAINE REPUBLICAN PARTY AND BEN LOMBARD, AS
TREASURER, TO THE REFERRAL FROM THE AUDIT DIVISION

This responds on behalf of our clients, the Maine Republican Party and Ben Lombard,¹ as Treasurer (collectively "MRP"), to the notification from the Federal Election Commission ("Commission") that the Audit Division referred two findings from an audit of the 2008 election cycle for possible enforcement action.² Specifically, the referral concerns a finding regarding the misstatement of financial activity and another finding about MRP mailers that the auditors believe should have been classified and reported as independent expenditures rather operating expenses. For the reasons explained below, the Commission should exercise its prosecutorial discretion and dismiss this matter, close the file, and take no further action. *See Heckler v. Chaney*, 470 U.S. 821 (1985). If the Commission declines to dismiss this matter, it should be referred to the Alternative Dispute Resolution Office ("ADRO").

While MRP does not dispute the numbers and amounts cited in the referral, there are two mitigating factors demonstrating why the Commission should dismiss this matter rather than initiate enforcement proceedings. *First*, MRP's receipts totaled more than \$1,400,000 and its disbursements totaled more than \$1,300,000 during calendar years 2007 and 2008. Therefore, the amounts at issue

¹ Ben Lombard was not MRP Treasurer during calendar years 2007 and 2008.

² On March 22, 2013, Ben Lombard, as Treasurer, executed a tolling agreement that applied to the time period from "March 21, 2013, until such time as the Maine Republican Party, and Ben Lombard, as treasurer, files a response (as evidenced by a postal cancellation stamp)." As this filing constitutes the response contemplated by the tolling agreement, the tolling agreement is now terminated as of August 23, 2013, the date this response was received by the Commission.

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OFFICE OF THE
FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20543

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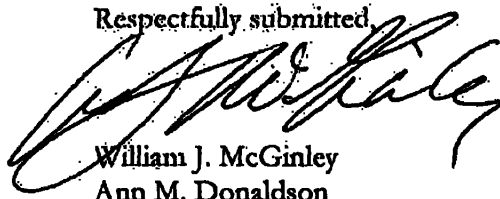
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in this matter constitute a small fraction of the total amounts raised and spent by MRP during calendar years 2007 and 2008.

Second, as noted in the final audit report attached to the referral notification, MRP made the Commission aware that an employee of the accounting firm it used embezzled approximately \$48,000. FEC Notification, Final Audit Report, Finding 1 at 2 – 3. The individual who embezzled the funds pled guilty to the embezzlement. *Id.* In addition, MRP hired a different accounting firm and conducted a full audit of its books and internal controls and instituted improved internal controls as recommended by its auditors. *Id.* at 3. Accordingly, MRP has already taken significant steps to strengthen its compliance operations at its own expense. The significance of these measures is heightened by MRP's limited cash-on-hand and current debts. Since 2008, MRP is using improved internal controls, a different accounting firm, has a new treasurer and new leadership (executive director).

In light of these strong mitigating factors, we respectfully request that the Commission exercise its prosecutorial discretion and dismiss this matter, close the file, and take no further action. *See Heckler v. Chaney*, 470 U.S. 821 (1985). If the Commission declines to dismiss this matter, it should be referred to the ADRO for resolution.

Respectfully submitted,



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